

**CITIPOWER AND POWERCOR AUSTRALIA SUBMISSION TO AER ON DRAFT
REGULATORY INFORMATION NOTICE FOR ECONOMIC BENCHMARKING**

**ATTACHMENT B:
REVISED REGULATORY INFORMATION NOTICE AND STATUTORY DECLARATION**

**REGULATORY INFORMATION
NOTICE UNDER DIVISION 4 OF
PART 3 OF THE NATIONAL
ELECTRICITY LAW**

ISSUED BY

**THE AUSTRALIAN ENERGY
REGULATOR**

**Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001**

NATIONAL ELECTRICITY LAW
DIVISION 4 OF PART 3
REGULATORY INFORMATION NOTICE
TO PROVIDE, PREPARE AND MAINTAIN INFORMATION

TO: Powercor Australia Ltd (ACN 064 651 109)
Level 8, 40 Market Street
MELBOURNE VIC 3000

The Australian Energy Regulator (**AER**) considers it reasonably necessary for Powercor Australia Ltd (ACN 064 651 109) (**Powercor**), being a regulated network service provider for the purposes of section 28D of the *National Electricity Law* (**NEL**) who provides electricity distribution services in Victoria, to provide and to prepare and maintain the information in the manner and form specified in this draft Regulatory Information Notice (**Notice**), which is information the AER requires for the performance or exercise of its functions or powers conferred on it under the NEL or the *National Electricity Rules* (**NER**).

THE MATTERS THE SUBJECT OF THIS NOTICE

This [RIN Notice](#) sets out the requirements that must be complied with and the information that must be provided to the AER and be prepared and maintained by Powercor for the purposes of [allowing](#) the AER to:

1. ~~to publish network service provider performance reports (annual benchmarking reports)~~ the purpose of which are to describe, in reasonably plain language, the relative efficiency of each *Distribution Network Service Provider* in providing *direct control services* over a 12 month period;
2. assess benchmark operating expenditure and benchmark capital expenditure that would be incurred by an efficient *Distribution Network Service Provider* relevant to building block determinations; [and](#)
3. ~~to assist the AER to~~ determine whether it should exercise its powers to disclose information obtained under this Notice.

~~for in respect of~~ the distribution services provided by way of the electricity distribution network Powercor operates in Victoria.

Pursuant to sections ~~28F(1)(a)~~ of the NEL, the AER requires Powercor, [in respect of the distribution services provided by way of the electricity distribution network Powercor operates, and except where the AER notifies Powercor that Powercor is not required to do so to any extent](#), to:

- (a) provide the information specified in Schedule 1 to this Notice;
- (b) prepare and maintain the information in the manner and form specified in Schedule 2 to this Notice; [and](#)
- (c) verify, by way of a statutory declaration, the information specified in this Notice in accordance

with Appendix B- to this Notice.

and deliver the said information electronically to AERInquiry@aer.gov.au, on or before 5pm Australian Eastern Standard Daylight Time or Australian Eastern Standard Time as applicable [in Victoria](#) on:

- i. ~~Friday, 14 February 2014~~[Monday, 3 March 2014](#) for information relating to the Initial Regulatory Years [and the 2013 Regulatory Year; and](#)
- ii. 30 April (or, if 30 April is not a *Business Day*, the next *Business Day*) of each year t , for the information relating to the relevant Subsequent Regulatory Year, where:
 - a. year t -commences in 2015~~4~~; [and](#)
 - b. the relevant Subsequent Regulatory Year is the year $t - 1$.

Explanatory note: *Powercor must provide the information for the 2014~~3~~ Regulatory Year on ~~Wednesday~~Thursday, 30 April 2015~~4~~; the information for the 2015~~4~~ Regulatory Year on ~~Thursday~~Monday, 30 April 2015~~2~~ May 2016; the information for the 2016~~5~~ Regulatory Year on Monday, 2 May 2016~~1~~ April 2017 and so on.*

Pursuant to section 28M(e) of the NEL, the information specified in this Notice must be audited in accordance with Appendix C to this Notice. Audited information and the accompanying Audit Report must be delivered electronically to AERInquiry@aer.gov.au on or before 5pm [Australian Eastern Standard Daylight Time or](#) Australian Eastern Standard Time [as applicable in Victoria](#) on:

- i. ~~Friday, 16 May 2014~~[Monday, 3 March 2014](#) for information relating to the Initial Regulatory Years and the 2013 Regulatory Year; [and](#)
- ii. ~~30 April (or, if 30 April is not a Business Day, the next Business Day) of each year commencing 2015~~4~~, for information relating to all the relevant Subsequent Regulatory Years excluding the 2013 Regulatory Year., where:~~
 - a. ~~year t commences in 2015; and~~
 - a-b. ~~the relevant Subsequent Regulatory year is the year $t - 1$.~~

Pursuant to section 28K(1)(c) of the NEL, the reasons for the information required in this Notice to be provided and to be prepared and maintained in the manner and form specified are set out in [Schedule 2-Appendix D](#) to this Notice.

DEFINITIONS AND INTERPRETATION

In this Notice, including the Schedules and Appendices to this Notice, unless the contrary intention appears:

[the following general terms have the meaning set out in the table:](#)

General terms	Definition
AER	Australian Energy Regulatory
Audit Report	An Auditor's audit report as required by this Notice and prepared in accordance with the requirements set out in Appendix C of this Notice
Audited Statutory Financial	The audited set of financial statements prepared in accordance

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Statements	with the <i>Corporations Act 2001</i> (Cth) and Australian Accounting Standards
Auditor	A person who satisfies the requirements of paragraph 2 of Appendix C of this Notice
CAM	Powercor's Cost allocation method as approved by the AER
Powercor	Powercor Australia Ltd (ACN 064 651 109)
Financial Information	Any Variable in the Microsoft Excel workbook attached at Appendix A that is measured in monetary terms
Initial Regulatory Years	The 2008 3 to 2012 Regulatory Years
NEL	National Electricity Law
NER	National Electricity Rules
Non-financial Information	Any Variable in the Microsoft Excel workbook attached at Appendix A that is not measured in monetary terms
Notice	This draft Regulatory Information Notice
Regulatory Year	Each consecutive period of 12 calendar months in a <i>Regulatory Control Period</i> (under the NEL) or equivalent regulatory period under a preceding regulatory framework. The first such 12 month period commences at the beginning of the <i>Regulatory Control Period</i> (or equivalent regulatory period, as the case may be) and the final 12 month period ends at the end of the <i>Regulatory Control Period</i> (or equivalent regulatory period, as the case may be).
Review Report	An Auditor's limited assurance engagement report as required by this Notice and prepared in accordance with the requirements set out in Appendix C of this Notice
Subsequent Regulatory Years	Looking forward, each Regulatory Year commencing from 2013
Variable	Economic benchmarking variables listed in the worksheet titled '1. Variables and definitions' of the Microsoft Excel workbook attached at Appendix A-

- the terms italicised in this Notice have the same meaning as they do in the NEL or the NER; [and](#)
- the singular includes the plural and the plural includes the singular; ~~and~~
- ~~a reference to any corporation, whether expressly identified or not, includes a reference to any representative of that corporation.~~

Definitions for Variables necessary to provide, prepare and maintain the information in accordance

with Schedules 1 and 2 to this Notice are listed in [the](#) worksheet [titled](#) '1. Variables and definitions' of the Microsoft Excel workbook attached at Appendix A.

DATED: _____

.....
Andrew Reeves
Chair

SCHEDULE 1

REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY LAW ISSUED TO

Powercor Australia Ltd (ACN 064 651 109)

Note: (a) All answers and information are to be provided in accordance with this Schedule.

1. PROVIDE INFORMATION

1.1 Provide the information specified in Schedule 2.

1.2 For each Variable

- (a) explain ~~from~~ where the data was ~~obtained~~ ~~sourced from~~ (eg. directly from Powercor's internal systems or ~~a~~ Audited ~~s~~ Statutory ~~accounts~~ Financial Statements)
- (b) explain the methodology Powercor applied to provide the requested data. This should include an explanation of how the data was derived from other sources (if this was undertaken) and any assumptions that were made in this process; ~~and~~
- (c) provide these explanations in [the](#) worksheet titled '9. Data sources'.

1.3 If Powercor wishes to make a claim for confidentiality over any information to be provided in accordance with clause 1.1, provide in the worksheet titled '10. Confidentiality' of the Microsoft Excel Workbook attached at Appendix A reasons:

- (a) supporting how and why detriment may be caused from disclosing the identified information; and
- (b) why the identified detriment is not outweighed by the public benefit (especially public benefits such as the effect on the long term interests of consumers).

SCHEDULE 2

REGULATORY INFORMATION NOTICE UNDER DIVISION 4 OF PART 3 OF THE NATIONAL ELECTRICITY LAW ISSUED TO

Powercor Australia Ltd (ACN 064 651 109)

Note: (a) The information specified in the Excel workbook attached at Appendix A must be verified by way of statutory ~~notice~~ declaration in accordance with Appendix B to this Notice and audited in accordance with Appendix C to this Notice.

(b) Audited information must be provided annually on an ongoing basis.

1. PREPARE INFORMATION

1.1 Prepare information in the manner and form specified in the worksheets in the Microsoft Excel workbook attached at Appendix A (the information) in accordance with the instructions provided in the worksheet titled 'Instructions', any additional instructions as provided for in the worksheets and the definitions listed in the worksheet titled '1. Variables and definitions'—and current regulatory reporting requirements.

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1.2 Prepare the information in ~~the a~~ manner and form:

(a) that is in accordance with the principles and requirements specified at Schedule 1;

~~(b) as set out and required in all the worksheets in the Microsoft Excel workbook attached at Appendix A in accordance with:~~

~~(i) the instructions provided in the worksheet titled 'Instructions'; and~~

~~(ii) any additional instructions as provided for in the worksheets;~~

~~(e)~~(b) which:

(i) includes all underlying calculations and formulae, and supporting documentation;

(ii) is not password protected;

(iii) allows for precedents and dependents to be traced;

(iv) is capable of a 'copy and paste' function being applied to it;

~~(d)~~(c) is that allows the information to be verifiable by the AER, an Auditor or an independent third party upon inspection;

~~(e)(d)~~ is that allows the information to be readily available for inspection by or submission to the AER; and

~~(f)(e)~~ that is allows the information to be made readily reproducible by the AER with reference to Powercor's data assumptions and source data.

1.3 For the Initial Regulatory Years and the 2013 and 2014 Regulatory Years only, where it is not otherwise possible to provide the information for a particular Variable or part of a particular Variable as required by the Notice, provide an estimate. Where the information provided is an estimate, use best endeavours to generate the most appropriate estimate and provide the AER with the basis for this estimate and explain why it is the most appropriate estimate.;

1.4 For the Subsequent Regulatory Years excluding the 2013 and 2014 Regulatory Years, the data provided pursuant to the Notice for that Regulatory Year must to be actual data unless stated otherwise in a specific worksheet of the Microsoft Excel Workbook at Appendix A.

~~1.4.1.5~~ For each year of the Subsequent Regulatory Years, prepare an updated version of the Microsoft Excel Workbook attached at Appendix A by adding an additional column ~~to~~ each data worksheet with which sets out the actual data or estimates for the relevant Subsequent Regulatory Year (as relevant) in accordance with this Notice and the instructions in the Workbook, ~~where:~~

~~(a) year t commences in 2014; and~~

~~(b) the relevant Subsequent Regulatory Year is the year $t - 1$~~

~~(c) actual data means that no values may be estimated unless stated otherwise in a specific worksheet of the Microsoft Excel Workbook at Appendix A.~~

~~1.5.1.6~~ Engage a person who satisfies the requirements of paragraph 2 of Appendix C of this Notice to audit or review (as applicable) the information specified in Appendix C to this Notice and prepare an Audit Report or Review Report (as applicable) in accordance with the requirements of Appendix C of this Notice.

2. MAINTAIN INFORMATION

2.1 Maintain, from the date of this Notice until further notice:

(a) all information prepared under paragraph 1 of this Schedule 2.

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APPENDIX A

ECONOMIC BENCHMARKING BACKCAST DATA TEMPLATE

See attached Microsoft Excel spreadsheet titled: “*DNSP economic benchmarking data template.xlsx*”

APPENDIX B
NATIONAL ELECTRICITY (VICTORIA) LAW
SECTION 28M(d)
STATUTORY DECLARATION

State of Victoria

Statutory Declaration

I, _____
[full name]

of _____
[address]

_____, do solemnly and sincerely declare that:

1. I am an officer, for the purposes of the *National Electricity (Victoria) Law (NEL)*, of Powercor Australia Ltd (ACN 064 651 109) (Powercor), a regulated network service provider for the purposes of section 28D of the NEL.
 2. The response of Powercor regarding the information required to be provided and to be prepared and maintained as specified by the Australian Energy Regulator's (AER) Regulatory Information Notice (Notice) dated 15 November 2013, is to the best of my information, knowledge and belief:
 - (a) in accordance with the requirements of the Notice; and
 - (b) with the exception of where some amount of estimation is required or assumptions are made for the purposes of complying with the Notice, is true and accurate, and in all material respects can be relied upon by the AER to:
 - ~~(i) — prepare and publish a network service provider performance report (an annual benchmarking report) the purpose of which is to describe, in reasonably plain language, the relative efficiency of each Distribution Network Service Provider in providing direct control services over a 12 month period; and~~
 - ~~(ii) — to assess benchmark operating expenditure and benchmark capital expenditure that would be incurred by an efficient Distribution Network Service Provider relevant to building block determinations; and~~
 - ~~(c) — where it is not possible to provide the information required by the Notice I have provided an estimate. Where the information provided is an estimate, I have used my best endeavours to generate the most appropriate estimate, and have provided the AER with the basis for this estimate and reasons why it is the most appropriate estimate~~
- ~~in respect of the distribution services provided by way of the electricity distribution network Powercor operates in Victoria.~~

I acknowledge that this declaration is true and correct, and I make it with the understanding and belief that a person who makes a false declaration is liable to the penalties of perjury.

Declared at _____

this _____ day of _____ 20_____

.....
Signature of person making this declaration
[to be signed in front of an authorised witness]

Before me,

.....

Signature of Authorised Witness

The authorised witness must print or stamp his or her name, address and title under section 107A of the *Evidence (Miscellaneous Provisions) Act 1958* (as of 1 January 2010), (previously *Evidence Act 1958*), (eg. Justice of the Peace, Pharmacist, Police Officer, Court Registrar, Bank Manager, Medical Practitioner, Dentist)

APPENDIX C

NATIONAL ELECTRICITY LAW

SECTION 28M(e)

AUDIT REQUIREMENTS

1. INFORMATION SUBJECT TO INDEPENDENT AUDIT

1.1 The information subject to independent audit [or limited assurance engagement](#) is the:

- (a) Financial Information in worksheets titled '2. Revenue', '3. Opex' and '4. Assets (RAB)' in the Microsoft Excel Workbook attached in Appendix A ("*DNISP economic benchmarking data template.xlsx*") that is derived from **actual** historical financial data retained by Powercor;
- (b) Financial Information in worksheets titled '2. Revenue', '3. Opex' and '4. Assets (RAB)' in the Microsoft Excel Workbook attached in Appendix A ("*DNISP economic benchmarking data template.xlsx*") that is derived from **estimated** historical financial data ~~(based on reasonable management judgement and assumptions) where Powercor certifies that it is not possible to provide actual historical information; and~~
- (c) Non-financial Information [for the Subsequent Regulatory Years](#) in worksheets titled '2. Revenue', '3. Opex', '4. Assets (RAB)', '5. Operational data', '6. Physical assets', '7. Quality of services', '8. Environmental factors' and '9. Data sources' of the Microsoft Excel Workbook in Appendix A ("*DNISP economic benchmarking data template.xlsx*") that is derived from [or otherwise relates to](#) either:
 - a. **actual** historical data retained by Powercor; or
 - b. **estimated** historical data ~~(based on reasonable management judgement and assumptions) where Powercor certifies that it is not possible to provide actual historical information; and~~
- (d) ~~in~~ respect of the Non-financial Information [for the Subsequent Regulatory Years](#), ~~review of~~ the processes and procedures used and the systems applied to provide, prepare and maintain the information for [the Subsequent Regulatory Years for](#) the purposes of the ~~AER~~ requirements [of the Notice](#).

1.2 In reference to the above, if Powercor has previously provided audited financial data to the AER in response to a *Regulatory Information Instrument* to the standard required by this Notice, it is not necessary for this data to be audited again. This fact would need to be confirmed and documented in response to the Notice. However, if this

previously audited and supplied data is disaggregated for the purposes of this Notice, the disaggregated data and reconciliation with the previously audited and supplied data must be audited.

2. CLASS OF PERSON TO CONDUCT AUDITS

2.1 The ~~audit~~ information subject to independent audit or limited assurance engagement referred to in paragraph 1.1 must be audited by a person who:

- (a) is independent from Powercor and all of its related bodies corporate— not a principal, member, shareholder, officer, or employee of Powercor or its related entities;
- (b) is a member of the Institute of Chartered Accountants Australia (CA or FCA) or of CPA Australia (CPA or FCPA) that holds a Certificate of Public Practice;
- (c) is appointed for the purposes of expressing an opinion or conclusion on the audit requirements outlined in detail in paragraph 3;
- (d) has experience in conducting financial, performance, operation or quality assurance audits and conducting data sampling in the electricity industry;
- (e) possesses relevant knowledge and experience in the electricity industry, engineering, IT systems, asset management and customer service;
- (f) understands the procedures and methodologies underlying the data and the AER's relevant definitions for all information; and
- (g) if necessary, is available to discuss issues relating to the audits with Powercor and the AER, including where an Audit Report or Review Report is critical of, or highlights deficiencies in, the audited Financial Information and/or Non-financial Information.

2.2 The audits and limited assurance engagements requirements—referred to in this Appendix must be conducted in compliance with the ~~relevant specified~~ Australian Auditing or Assurance Engagement Standards.

3. AUDIT REQUIREMENTS

3.1 The audit of **actual** historical Financial Information referred to in paragraph 1.1(a) must:

- (a) comply with the Auditing Standard ASA 805 *Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*, and
- (b) assess and verify whether the information:
 - (i) has been captured for the entire time period required;
 - (ii) has been derived from actual historical information and ~~can be~~ directly reconcilable to with the Audited Statutory Financial Statements of Powercor;

- (iii) is complete and accurate;
- (iv) is prepared consistent with the requirements of the Notice; and
- (v) has been prepared in a manner consistent with Powercor's CAM.

3.2 ~~†~~The Audit Report relating to the audit of the actual historical Financial Information referred to in paragraph 1.1(a) must:

~~(a)~~ include an opinion as to whether:

- ~~i.~~(i) the Financial Information has been derived from actual historical data and can be reconciled ~~to~~ with the Audited Statutory Financial Statements of Powercor;
- ~~ii.~~(ii) the Financial Information provided is ~~presented fairly~~ in accordance with the requirements of the Notice;
- ~~iii.~~(iii) the Financial Information ~~provided~~ is prepared in a manner consistent with Powercor's CAM; and
- ~~iv.~~(iv) where non-compliance with the Notice ~~or~~ has arisen, modification in respect of this; and

~~(d)~~(b) ~~The Audit Report must~~ be in a form able to be published by the AER.

~~(e)~~ The Audit Report ~~is to be provided to the AER no later than 5pm AEST on:~~

- ~~(i)~~ Friday, 16 May 2014 for information relating to the Initial Regulatory Years and the 2013 Regulatory Year; and
- ~~(ii)~~ 30 April (or, if 30 April is not a *Business Day*, the next *Business Day*) of each year commencing 2015 for information relating to all Subsequent Regulatory Years excluding the 2013 Regulatory Year.

3.23.3 The review limited assurance engagement in respect of the **estimated** historical Financial Information referred to in paragraph 1.1(b) must:

- (a) comply with the ASAE 3000 *Assurance engagements other than audits or reviews of historical financial information*; and
- (b) assess:
 - (i) ~~the validity of the certification by Powercor that where estimates have been provided, whether~~ it was not possible to provide actual information ~~and hence estimates have been provided~~;
 - (ii) ~~that whether~~ the estimated historical Financial Information has been ~~derived estimated~~ based on ~~reasonable~~ management judgement and assumptions ~~and is the most appropriate estimate of the information required that are not unreasonable~~;
 - (iii) ~~that whether~~ the estimated historical ~~data~~ Financial Information has been ~~captured prepared~~ for the entire time period required;

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- (iv) ~~that whether~~ the estimated historical ~~data~~ Financial Information ~~has been prepared in a manner~~ consistent with the requirements of the Notice; and
- (v) ~~that whether~~ the estimated historical ~~data~~ Financial Information has been prepared in a manner consistent with Powercor's CAM.

~~3.4~~ The Review Report relating to the estimated historical Financial Information referred to in paragraph 1.1(b) must:

~~(e)(a)~~ include a conclusion in respect of:

- ~~v.(i)~~ the reasons why the historical Financial Information has been provided on an estimated basis;
- ~~vi.(ii)~~ the appropriateness of the data estimated, based on all available information required whether the estimated historical Financial Information has been estimated based on assumptions that are not unreasonable;
- ~~vii.~~ the reasonableness of the methodology and underlying assumptions used to derive the estimates;
- ~~viii.(iii)~~ compliance with all parts of the Notice, and where non-compliance has arisen, modification in respect of this; and
- ~~ix.(iv)~~ whether the estimated historical Financial Information data being provided is prepared in a manner consistent with Powercor's CAM and where non-compliance has arisen, modification in respect of this; and

~~(d)(b)~~ The Review Report must be in a form able to be published by the AER.

~~(e)~~ The Review Report is to be provided to the AER no later than 5pm AEST on:

- ~~(i)~~ Friday, 16 May 2014 for information relating to the Initial Regulatory Years and the 2013 Regulatory Year; and
- ~~(ii)~~ 30 April (or, if 30 April is not a Business Day, the next Business Day) of each year commencing 2015 for information relating to all Subsequent Regulatory Years excluding the 2013 Regulatory Year.

~~3.33.5~~ The review limited assurance engagement in respect of the Non-financial Information referred to in paragraph 1.1(c) must:

~~1.(a)~~ comply with the ASAE 3000 Assurance engagements other than audits or reviews of historical financial information;

~~2.(b)~~ assess:

- ~~1.(i)~~ that whether the Non-financial Information has been captured or prepared for the entire time period required;
- ~~2.(ii)~~ where in the case of actual data historical Non-financial Information is provided, that whether it is complete and accurate, and can be directly reconcilable to with systems maintained by Powercor; and
- ~~3.(iii)~~ where in the case of estimated historical Non-financial Information:

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~~1. whether the validity of the certification by Powercor that it was not possible to provide actual historical Non-financial information and hence estimates have been provided; and~~

~~1. whether that the estimated historical Non-financial Information has been derived based on reasonable management judgement and assumptions and is the most appropriate estimate of the information required that are not unreasonable; and~~

~~(v) that whether the Non-financial Information has been prepared in a manner consistent with the requirements of the Notice.~~

~~3.6 The Review Report relating to the Non-financial Information referred to in paragraph 1.1(c) must:~~

~~3.(a) include a conclusion in respect of:~~

~~1.(i) whether the Non-financial Information data has been derived from actual historical data or has been estimated;~~

~~2.(ii) where based on actual historical data, the accuracy and completeness of that data;~~

~~3.(iii) where estimated:~~

~~1. the reasons why the historical Non-financial Information data has been provided on an estimated basis; and~~

~~2. the appropriateness of the data estimated, based on all available information retained;~~

~~3. whether the estimated Non-financial Information has been estimated based on assumptions that are not unreasonable the reasonableness of the methodology and underlying assumptions used to derive the estimates; and~~

~~4.(iv) compliance with all parts of the Notice, and where non-compliance has arisen, a modification in respect of this; and~~

~~4.(b) The Review Report must be in a form able to be published by the AER.~~

~~5. The Review Report is to be provided to the AER no later than 5pm AEST on:~~

~~1. Friday, 16 May 2014 for information relating to the Initial Regulatory Years and the 2013 Regulatory Year; and~~

~~2. 30 April (or, if 30 April is not a Business Day, the next Business Day) of each year commencing 2015 for information relating to all Subsequent Regulatory Years excluding the 2013 Regulatory Year.~~

~~3.43.7 The review limited assurance engagement in respect of the processes, and procedures used and systems applied to provide, prepare and maintain the Non-financial Information for the purposes of AER requirements referred to in paragraph 1.1-(d) must:~~

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- (a) comply with the ASAE 3000 Assurance engagements other than audits or reviews of historical financial information; and
- (b) assess:
 - (i) the reliability of the processes, procedures used and the systems applied to provide, prepare and maintain the information;
 - (ii) whether the processes, procedures and systems were correctly used and applied by the relevant staff to prepare, provide and maintain the information;
 - (iii) whether the systems are able to prepare and provide the required parameter definitions and data exclusions in accordance with the AER's requirements;
 - (iv) whether the systems are able to competently identify and correct errors and whether the information referred to in paragraph ~~4.1(b)~~1.1(c) reflects any such corrections; and
 - (v) whether the processes, procedures, or systems provide any missing information or unusual trends that suggest errors in information entry or manipulation.

~~3.8~~ The Review Report relating to the processes and procedures used and systems applied to provide, prepare and maintain the Non-financial Information referred to in 1.1(d) must:

~~4.~~(i) include a conclusion in respect of:

- ~~4.~~1. the reliability of the processes, procedures used and the systems applied to provide, prepare and maintain the information;
- ~~2.~~2. whether the processes, procedures and systems were correctly used and applied by the relevant staff to prepare, provide and maintain the information;
- ~~3.~~3. whether the systems were able to prepare and provide the required parameter definitions and data exclusions in accordance with the AER's requirements;
- ~~4.~~4. whether the systems were able to competently identify and correct errors and whether the information referred to in paragraph 1.1(c) reflects any such corrections; and
- ~~5.~~5. whether the processes, procedures, or systems resulted in any missing information or unusual trends that suggest errors in information entry or manipulation; and

~~2.~~(ii) The Review Report must be in a form able to be published by the AER.

~~(c) The Review Report is to be provided to the AER no later than 5pm AEST on:~~

- ~~(i) Friday, 16 May 2014 for information relating to the Initial Regulatory Years and the 2013 Regulatory Year; and~~

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~~(ii) 30 April (or, if 30 April is not a Business Day, the next Business Day) of each year commencing 2015 for information relating to all Subsequent Regulatory Years excluding the 2013 Regulatory Year.~~

APPENDIX D
NATIONAL ELECTRICITY LAW
SECTION 28K(1)(c)
STATEMENT OF REASONS

This statement of reasons explains why the AER considers it reasonably necessary for the information described in this Notice to be provided, prepared and maintained in the manner and form specified.

Under clause 6.27 of the NER, the AER must prepare and publish an annual benchmarking report to describe the relative efficiency of each *Distribution Network Service Provider* in providing *direct control services* over a 12 month period. Under clauses 6.5.6 and 6.5.7 of the NER, the AER must have regard to benchmarking operating expenditure and benchmarking capital expenditure when assessing these types of expenditure.

Accordingly, the AER needs to obtain detailed information relating to Powercor and its regulated electricity network services. Refer to the AER's Better Regulation Draft Expenditure Forecast Assessment Guidelines for electricity transmission and distribution for detailed information on how the AER [will propose to](#) apply economic benchmarking and the reasons for the data to be provided in Appendix B.

The AER considers that the information and documents that it receives in response to this Notice will enable it to perform its functions under chapter 6 of the NER.